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Supreme Court, U.S.
FILED
JUL 31 2002
OFFICE OF THE CLERK

No. 02-90

In The
Supreme Court Of The United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and TOSCO CORPORATION,

Respondents.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

RESPONDENT UNOCAL CORPORATION'S BRIEF IN OPPOSITION

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QUESTION PRESENTED FOR REVIEW

Whether this Court should vacate the judgment below and remand for reconsideration where there is no reasonable probability that the court of appeals' decision would be altered by reconsideration in light of *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002), because it rests on no premise affected by *Festo*.

RESPONDENT'S RULE 29.6 DISCLOSURE

Respondent Unocal Corporation has no parent corporation and no publicly held company owns 10% or more of the corporation's stock. Union Oil Company of California is a wholly owned subsidiary of Unocal Corporation.

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RESPONDENT UNOCAL CORPORATION'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

STATEMENT

I. Procedural Background

Talbert originally commenced this action against Unocal immediately following Unocal's successful jury verdict against six large oil refiners finding infringement of Unocal's U.S. Patent No. 5,288,393 ("'393"). Talbert stated an interference count under 35 U.S.C. § 291, alleging that its own patent (U.S. Patent No. 5,015,356) ("'356") claimed the identical subject matter as Unocal's '393 patent, even though the Patent and Trademark Office (PTO) had reviewed the Talbert patent before allowing Unocal's '393 patent to issue. Talbert also alleged that Unocal's gasolines infringed Talbert's patent.

Unocal moved to dismiss Talbert's claim of interference on the ground that the Talbert and Unocal patents do not claim the same subject matter. The trial court issued a limited claim construction and granted Unocal's motion to dismiss. (Pet. App. 34a-42a.) That order was affirmed by the court of appeals' decision below and is not part of Talbert's petition for certiorari. (Pet. App. 12a-14a.)

Following the dismissal of the interference cause of action, Unocal moved for summary judgment of Talbert's remaining infringement count. *Talbert admitted that Unocal had not produced any unleaded motor gasoline with a true boiling point endpoint less than or equal to 345°F* (an express limitation of the Talbert claims). (Pet. App. 26a; 32a; Ct. App. JA1124.) Talbert

thus conceded that there was no literal infringement under the claims as construed by the District Court. *Id.* Talbert opposed Unocal's motion for summary judgment solely on the ground of infringement under the doctrine of equivalents.

The district court, however, held that prosecution history estoppel barred equivalents infringement, relying on Talbert's specific argument to the PTO asserting nonequivalence of fuels with a final boiling endpoint higher than the claimed 345°F. (Pet. App.33a; Ct. App. JA26-30.) That judgment was affirmed by the Federal Circuit. (Pet. App. 11a-12a.) The court specifically concluded that estoppel barred equivalents coverage of the particular accused Unocal gasolines (with boiling point endpoints significantly higher than 345°F) based on the *arguments* made by Talbert in the file history – not based on the "complete bar" (or "absolute bar") issue examined in this Court's recent decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002). *(See* Pet. App. 11a-12a.)

II. Factual Background

Key aspects of the prosecution history provide the context for the Federal Circuit's reliance on what Talbert repeatedly argued in prosecuting the applications that culminated in the issuance of the Talbert '356 patent. Talbert spent the first nine years of the protracted prosecution (of several related applications) attempting to overcome an examiner's obviousness rejection (under 35 U.S.C. § 103) based on a prior-art reference referred to as the "Hamilton" patent. The Hamilton patent taught a fuel with a boiling point range ending at 390°F. (Pet App. 11a; Ct. App. JA77, Col. 1:42- 43). Talbert repeatedly distinguished Hamilton by pointing to the lower "endpoint" boiling point range

of its own claimed fuel, described variously as 96.8° to 345°F and 49° to 345°F. (Pet. App. 9a; Ct. App. JA 534-35,596,763-64.) In this context, Talbert specifically argued that its fuels, with significantly lower boiling point **endpoints** from Hamilton, were "not the same as, ***nor equivalent to***" Hamilton's. (Pet. App. 9a.)

Having made that argument, Talbert still had a problem (under 35 U.S.C. § 112, ¶1): the numbers it was relying on for its own gasoline could not be added to the claims because they had no basis in the specification. Talbert therefore tried to amend the specification to provide literal support for the specific boiling range claimed, but those attempts were met by "new matter" rejections from the examiner (under 35 U.S.C. § 132). In the ninth year of the prosecution process, Talbert re-filed the application as a continuation-in-part application (which allows some new matter, with a new priority date, *see* 35 U.S.C. § 120) to include a teaching in the specification of a 345°F endpoint. By doing so, Talbert was finally able to insert into the claim the specific boiling range endpoint (345°F) said to distinguish the fuel from Hamilton's while overcoming the "new matter" rejection.

Talbert relied on its required 345° F final boiling point throughout the prosecution history. Notably, during the final year of the prosecution, Talbert was required to distinguish the claimed fuels from those described in a patent to "Schulze." Talbert argued that, because of the required 345°F final boiling point in the Talbert claims, his fuel was necessarily different from that of Schulze. (Pet. App. 9a-10a; Ct. App. JA909.) The examiner thus allowed the claims to issue. *Id.* at 913-14.

More generally, Talbert's argument about the boiling point endpoint – to distinguish prior-art fuels with boiling point ranges of up to 390°F (Ct. App. JA592, JA632A-D) – was intimately tied to the contention, from the outset, that Talbert's inventive contribution was the removal of C_{11}+ hydrocarbons from conventional gasoline. The presence of such hydrocarbons allows higher boiling points than otherwise, which is why the examiner pointed to the boiling point endpoints of prior-art fuels in rejecting Talbert's application for obviousness, asserting that Talbert had not established how much of the C_{11}+ hydrocarbons it had removed. Ct. App. JA592. Talbert responded by repeatedly insisting that the claimed fuels *inherently possessed* a true final boiling point endpoint of 345°F *because* the C_{11}+ hydrocarbons had been *removed* from the fuel, leaving a C_{10} hydrocarbon, with a boiling point endpoint of only 345°F, as the heaviest hydrocarbon in the fuel:

- ". . . decane, C_{10}, has a boiling point of 345°F. Therefore, the temperature range of the gasoline of the presently claimed invention **is between** 96.8 and **345°F**." Ct. App. JA534-35 (emphasis added).

- "the temperature range of the boiling points of the hydrocarbons of the [claimed] gasoline . . . ***is between*** 96.8 and **345°F**." Ct. App. JA596 (emphasis added).

- "The fuel composition [claimed] ***is defined as being bounded by C_5 and C_{10}*** hydrocarbons in a gasoline-type fuel." Ct. App. JA757 (emphasis added).

- ". . . determining the boiling point range is only a matter of picking the lowest and highest boiling points . . . [which] in the case of the fuel composition

disclosed in the Talbert patent application is C_5 - C_{10} and the corresponding boiling point range is 49° to 345°F." Ct. App. JA763-64.

- ". . . it will be noted that ***applicant's fuel*** which contains C_9 and C_{10} hydrocarbons ***has a final boiling point of 345°C*** [*sic*; should be °F] which corresponds to the boiling point of C_{10} paraffinic hydrocarbons." Fact 6.7; Ct. App. JA890 (emphasis added).

The emphasis on the 345°F endpoint, in short, was central to what Talbert touted as the inventive contribution.

This emphasis, in fact, continued even after the patent issued. Shortly after issuance, Talbert announced to the entire oil industry and government officials that the claimed fuels ". . . ***[have] an endpoint of 345°F.***" Ct. App. JA1132 (emphasis added). In the announcement, Talbert emphasized the benefits of the new gasoline with a 345°F endpoint, and made it clear that ***"an endpoint not to exceed 345°F is required in order to achieve the benefits described.***" Ct. App. JA1133 (emphasis added). Talbert's current argument thus would materially eliminate what Talbert previously asserted was the basic and novel characteristic of his fuels and impermissibly attempts to claim what was surrendered during prosecution.

REASONS FOR DENYING THE PETITION

Talbert does not dispute the Federal Circuit's claim construction or the Federal Circuit's holding that Unocal's accused gasolines do not literally infringe. Under the unchallenged claim construction, Talbert's claim limitation requires a boiling point limit of no greater than 345° F, and the

accused Unocal gasolines undisputedly have significantly higher limits ("ranging from 378.8° F to 472.9° F"). (Pet. App. 7a-11a.) Talbert limits its present challenge to the Federal Circuit's application of prosecution history estoppel to bar Talbert's effort to capture Unocal's fuels under the doctrine of equivalents. It asks for a vacatur and remand, seeking to ride on the coattails of this Court's decision in *Festo*, even though *Festo* could not alter the lower court's decision here.

Talbert's request should be rejected as nothing but burdensome delay of final resolution of this case. Talbert's petition rests on disregard of the actual reasoning of the court of appeals' decision on the issue of prosecution history estoppel. In fact, it is clear from the court of appeals' analysis that there is no "reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration" (*Lawrence v. Chater,* 516 U.S. 163, 167 (1996)) in light of this Court's decision in *Festo*. In these circumstances, a vacatur and remand would only add to the burdens and costs of this litigation for both the parties and the courts.

What the court of appeals decision actually says, in contrast to Talbert's summary characterization of it, makes clear why a vacatur and remand would be entirely wasteful. The decision first states the district court's broad conclusion that Talbert surrendered any coverage above a boiling point limit of 345° F (Pet. App. 11a), then gives its own analysis. The analysis immediately relies on Talbert's *argument* in the PTO: Talbert pointed to its own claimed boiling point limit of 345°F to distinguish the Hamilton prior art, starkly declaring that Hamilton's boiling point range up to 390°F was "no[t] equivalent to" the claimed 345° F upper limit. *Id.* at 9a. The

court of appeals decision then notes and rejects Talbert's effort to counter the force of its *argument* in the PTO: whereas Talbert denied that the 345°F boiling point limit had been added to respond to prior art, the decision explains that, to the contrary, "the prosecution record shows that Talbert relied on this temperature specificity for patentability purposes." *Id.* The decision then concludes that "Talbert is estopped to reach, by way of equivalency, Unocal's gasoline having a significantly higher boiling range" (*id.* at 12a) – Unocal's gasoline having limits from "373.8° F up to 472.9° F." *Id.* at 11a.

At least three aspects of this decision independently make clear that the result (indeed the analysis) could not be altered by this Court's *Festo* ruling. ***First***, the decision squarely rests on prosecution history estoppel by *argument*, not by *amendment*. Arguments to the PTO and amendments made in the PTO, though often occurring together, have long been recognized as a distinct bases for estoppel.[1] This Court's decision in *Festo* is *entirely* about the estoppel effect of *amendments* – both which types of amendment generate estoppel (122 S. Ct. at 1840-41) and what such an amendment estops (122 S. Ct. at 1841-42). There is simply nothing in *Festo* about the interpretation of applicant arguments to the PTO to define an estoppel against

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[1] *See* D. Chisum, Patents § 18.05[2] (amendments, treated in subsections [a] and [b], as separate basis of estoppel from "remarks and arguments," treated in subsection [c]); *Cortland Line Co. v. The Orvis Co., Inc.*, 203 F.3d 1351, 1360 (Fed. Cir. 2000); *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973 (Fed. Cir. 1999); *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 988 F.2d 1165 (Fed. Cir. 1993); *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372 (Fed. Cir. 1998).

later equivalents assertions in infringement litigation. *A fortiori* there is nothing in *Festo* to undermine the specific conclusion that Talbert's stark "no[t] equivalent" argument in this particular case estopped its equivalents assertion.

Second, the court of appeals decision draws its estoppel conclusion only in terms of the specifically accused products (Unocal's gasolines), with their "significantly higher" boiling point limits, not in terms of *all* gasolines outside the literally claimed limit. Pet. App. 11a-12a. (The court of appeals' phrasing of its own conclusion contrasts with its description of the district court's ruling in the broader terms. *Id.* at 11a.) The court of appeals' conclusion, therefore, does not rely on the blanket "complete bar" or "absolute bar" rule that was the only part of the Federal Circuit's *en banc* decision in *Festo* this Court altered on review. The court of appeals *in this case*, in short, has already narrowed its focus to whether the particular accused product was within the estoppel, rather than rely on a blanket rule of no equivalents outside the claimed limit.[2] This aspect of the decision supplies a second independent reason, over and above the fact that the decision rests on argument estoppel, not amendment estoppel, why this Court can be confident that the decision would not be altered by reconsideration in light of this Court's *Festo* decision.

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The panel in this case consisted of three Federal Circuit judges who dissented from the "complete bar" aspect of the *en banc* court's *Festo* decision. They merely cited the *en banc* decision in *Festo*, without internal page reference, noting that *certiorari* had already been granted. Pet. App. 12a.

Third, although Talbert insists on a new opportunity to show why it did not surrender the gasolines with Unocal's boiling point limits (significantly higher than the claimed limit), that plea is pointless – even if the case could be treated as an amendment case and the already-clear focus of the court of appeals on the specific accused products could be ignored. Of course, nothing in this Court's *Festo* decision in any way undermines the court of appeals' pointed case-specific conclusion that Talbert relied specifically on the 345°F boiling point limit as a ground "to overcome prior art" (notably Hamilton). Pet. App. 11a; *id.* at 9a. The court of appeals specifically cited to this Court's opinion in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), showing that Talbert had relied upon his arguments for patentability reasons. Pet. App. 11a-12a.[3] Talbert's 345°F claim limitation (its presence, Talbert's argument relying on it) remains, after *Festo*, fully estoppel-generating. *Festo*, 122 S. Ct. at 1838-39. Under *Festo*, then, Unocal's gasolines are *presumed* to be within the estoppel and hence unavailable for recapture as equivalents. *Id.* at 1841-42.

Talbert cannot conceivably meet its burden of overcoming the presumption of estoppel, given the clear reasoning underlying

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[3] Talbert's estoppel argument in the court of appeals, fairly construed, depended entirely on its assertion that it adopted the 345°F limit for a non-estoppel-generating reason (not to overcome prior art); although briefed *before* the *en banc* court adopted the "complete bar" rule, Talbert made no separate contention for a remaining scope of equivalents even if its assertion about its reason was incorrect. (C.A. Brief of Appellant Talbert at 39-46).

the court of appeals' conclusion about the 345°F limit and the prosecution record behind it. As explained above, the boiling point limit had far more than "a tangential relation" (122 S. Ct. at 1842) to the prior-art rejections that had to be overcome to achieve patentability (that is why Talbert relied on it as argument to distinguish Hamilton) *and*, indeed, to what Talbert stressed as the key aspect of its inventive contribution (the removal of the C_{11}+ hydrocarbons whose presence causes higher boiling points). *See* pages 3-4, *supra*. Moreover, it is self-evident that no language barrier impeded Talbert's writing a claim that used (familiar) numbers above 345°F to claim a higher boiling point limit if other patentability considerations would allow such numbers. 122 S. Ct. at 1842. The exception to *Festo*'s presumptive bar rule, therefore, could not be met in this case to limit Talbert's surrender so as to allow recapture, through equivalents infringement, of the higher boiling point limits of the accused gasolines.

For the foregoing reasons, this is a case in which the court of appeals opinion makes crystal clear, for multiple reasons, that its analysis and result do not in any way depend on any proposition this Court rejected in *Festo*. Notably, that conclusion cannot be drawn for any of the GVR cases cited by Talbert at Pet. 10. All but one *clearly* involved a Federal Circuit ruling of estoppel based on *amendments* in the PTO, the central subject of *Festo*. In the lone exception, *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002) (No. 01-541), the single-sentence Federal Circuit discussion did not clearly rest entirely on arguments rather than amendments, and the respondent, in this Court (01-541 Br. in Opp. 20 n.4), expressly undermined any such characterization: it relied on the patentee's amendment of a claim term in describing the court of appeals' rejection of equivalents infringement. Thus, in all the GVR cases cited by Talbert, a

GVR was appropriate because amendment-based estoppel was – or was acknowledged to be – genuinely at issue. A vacatur and remand in the present case, in contrast, would merely prolong litigation and add needless burdens, without a reasonable basis for finding an effect of *Festo* on the clear analysis of the decision below.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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July 30, 2002